

**UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO**

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In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA

Title III

No. 17 BK 3283-LTS

(Jointly Administered)

-----X
In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO HIGHWAYS AND
TRANSPORTATION AUTHORITY (“HTA”)

Debtor.

PROMESA

Title III

No. 17 BK 3567-LTS

**Re: ECF No. 7646, 7689, 7832,
8244, 12005, 12523, 12533,
13541, 13703, 13904, 14132,
14417 & 16698**

**SECOND URGENT JOINT MOTION OF THE GOVERNMENT PARTIES AND
THE DRA PARTIES FOR MODIFICATION OF CERTAIN DEADLINES IN THE
ORDER APPROVING JOINT STIPULATION OF THE GOVERNMENT PARTIES
AND THE DRA PARTIES REGARDING THE DRA PARTIES’ MOTION AND
MEMORANDUM OF LAW IN SUPPORT OF THEIR MOTION FOR RELIEF FROM
THE AUTOMATIC STAY, OR IN THE ALTERNATIVE,
ORDERING PAYMENT OF ADEQUATE PROTECTION**

¹ The Debtors in these Title III cases, along with each Debtor’s respective Title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the “Commonwealth”) (Bankruptcy Case No. 17-BK-3283 (LTS)) (Last Four Digits of Federal Tax ID: 3481), (ii) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566(LTS)) (Last Four Digits of Federal Tax ID: 9686), (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567 (LTS)) (Last Four Digits of Federal Tax ID: 3808), and (iv) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK-3284 (LTS)) (Last Four Digits of Federal Tax ID: 8474); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17-4780 (LTS)) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19-BK-5233-LTS) (Last Four Digits of Federal Tax ID: 3801).

The Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF”), pursuant to the authority granted to it under the Enabling Act of the Fiscal Agency and Financial Advisory Authority, Act 2-2017, the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board” and together with AAFAF the “Government Parties”), in its capacity as Title III representative of the Commonwealth of Puerto Rico (the “Commonwealth”) and the Puerto Rico Highways and Transportation Authority (“HTA”) pursuant to section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act*, 48 U.S.C. § 2101 *et seq.* (“PROMESA”), AmeriNational Community Services, LLC (the “Servicer”), as servicer for the GDB Debt Recovery Authority (the “DRA”), and Cantor-Katz Collateral Monitor LLC, a Delaware limited liability company (the “Collateral Monitor,” and together with the Servicer, collectively, the “DRA Parties”),² by and through their respective attorneys, and respectfully submit this urgent motion (the “Urgent Motion”) requesting as follows:

1. On June 25, 2019, the DRA Parties filed the *DRA Parties’ Motion and Memorandum of Law in Support of Their Motion for Relief from the Automatic Stay, or in the Alternative, Ordering Payment of Adequate Protection* [ECF No. 7643] (the “DRA Stay Motion”).

2. On July 3, 2019, the Court entered the *Order Approving Joint Stipulation Regarding the DRA Parties’ Motion and Memorandum of Law in Support of Their Motion For Relief from the Automatic Stay, or in the Alternative, Ordering Payment of Adequate Protection* (the “Original Order”) [ECF No. 7832], which provided that the briefing and hearing schedule regarding the DRA Stay Motion would be bifurcated to first determine the DRA Parties’ standing to bring the DRA Stay Motion (the “Standing Issue”) and set an agreed briefing schedule with respect to that issue.

² The Government Parties and the DRA Parties are sometimes hereinafter referred to as the “Parties” and each, a “Party”.

3. After various adjournments and procedural developments,³ on May 5, 2021 (and following the filing of the Amended DRA Stay Motion), the Court issued the *Order Approving Urgent Motion Modifying Order on Joint Stipulation of the Government Parties and the DRA Parties Regarding the DRA Parties' Motion and Memorandum of Law in Support of their Motion for Relief from the Automatic Stay, or in the Alternative, Ordering Payment of Adequate Protection* (the "Further Amended Scheduling Order") [ECF No. 16698], which modified the litigation schedule with respect to the Amended DRA Stay Motion⁴ as follows:

- a) The DRA Parties will file a response in support of the Amended DRA Stay Motion (the "DRA Response"), solely concerning the Standing Issue, no later than May 19, 2021; and
- b) The Government Parties will file a reply (on an individual or joint basis) to the DRA Response, solely concerning the Standing Issue, by no later than June 2, 2021 (the "Government Parties Reply").

4. On May 19, 2021, the DRA Parties filed their DRA Response in compliance with the Further Amended Scheduling Order. *See The DRA Parties' Response to the Government Parties Objection to the DRA Parties' Standing to Seek Relief from the Automatic Stay or in The Alternative, Ordering Payment of Adequate Protection* [ECF No. 16276].

5. The Parties have engaged in conversations amongst themselves and other parties in interest on various matters, including the treatment being provided to the DRA in the *Third*

³ A summary of these are identified in the *Joint Stipulation of the Government Parties and the DRA Parties Regarding the DRA Parties' Motion and Memorandum of Law in Support of their Motion for Relief from the Automatic Stay, or in the Alternative, Ordering Payment of Adequate Protection* [ECF No. 14407] and in the *Urgent Joint Motion of the Government Parties and the DRA Parties for Modification of Certain Deadlines in the Order Approving Joint Stipulation of the Government Parties and the DRA Parties Regarding the DRA Parties Motion and Memorandum of Law in Support of their Motion for Relief from the Automatic Stay, or in the Alternative, Ordering Payment of Adequate Protection* (the "First Urgent Motion") [ECF No. 16683].

⁴ Capitalized terms not otherwise defined herein shall have the meaning ascribed to it in the First Urgent Motion.

Amended Title III Joint Plan of Adjustment of the Commonwealth of Puerto Rico, et al. (the “Third Amended Plan”) [ECF. No. 16740] and the related HTA/CCDA Plan Support Agreement dated May 5, 2021 (the “HTA/CCDA PSA”). To allow the Parties an opportunity to try to make progress on these discussions, the Parties have agreed to seek an extension of certain of the deadlines set forth in the Further Amended Scheduling Order, and for the litigation schedule of the Amended DRA Stay Motion to be modified as follows:

- a) The Government Parties will file the Government Parties Reply (on an individual or joint basis), solely concerning the Standing Issue, by no later than July 21, 2021; and
- b) To the extent the Court determines that a hearing on the Amended DRA Stay Motion is necessary, the Court will hear oral arguments on the Amended DRA Stay Motion, solely concerning the Standing Issue, at the August 4, 2021 Omnibus Hearing.

6. The terms of the Amended Scheduling Order and the Further Amended Scheduling Order not otherwise modified by this Urgent Motion will continue to remain in full force and effect.

WHEREFORE, The Parties hereby respectfully request that the litigation schedule with respect to the DRA Stay Motion be modified pursuant to the agreement reached by the Parties in this Urgent Motion, and that the Court enter a revised Amended Scheduling Order substantially in the form attached hereto as **Exhibit A**.

NOTICE: We hereby certify that, in accordance with the Court’s *Fourteenth Amended Notice, Case Management and Administrative Procedures Order* (the “CMP Order”) [ECF No. 15894-1], on this same date, we electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to all CM/ECF participants

in this case. We further certify that, on this same date, we served the foregoing upon all the Standard Parties as identified and defined in the CMP Order.

Dated: June 2, 2021
San Juan, Puerto Rico.

Respectfully submitted,

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Dated: June 2, 2021
San Juan, Puerto Rico

Respectfully submitted,

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Dated: June 2, 2021
San Juan, Puerto Rico

Respectfully submitted,

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Services, LLC as servicer for the GDB Debt
Recovery Authority*

*Attorneys for Cantor-Katz Collateral Monitor
LLC, as Collateral Monitor for the GDB Debt
Recovery Authority*

Exhibit A

Proposed Order

**UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO**

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In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

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**Re: ECF No. 7646, 7689, 7832,
8244, 12005, 12523, 12533,
13541, 13703, 13904, 14132,
14417 & 16698**

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**[PROPOSED] ORDER APPROVING SECOND URGENT MOTION MODIFYING
ORDER ON JOINT STIPULATION OF THE GOVERNMENT
PARTIES AND THE DRA PARTIES REGARDING THE DRA PARTIES’ MOTION
AND MEMORANDUM OF LAW IN SUPPORT OF THEIR MOTION FOR
RELIEF FROM THE AUTOMATIC STAY, OR IN THE ALTERNATIVE,
ORDERING PAYMENT OF ADEQUATE PROTECTION**

¹ The Debtors in these Title III cases, along with each Debtor’s respective Title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the “Commonwealth”) (Bankruptcy Case No. 17-BK-3283 (LTS)) (Last Four Digits of Federal Tax ID: 3481), (ii) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566(LTS)) (Last Four Digits of Federal Tax ID: 9686), (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567 (LTS)) (Last Four Digits of Federal Tax ID: 3808), and (iv) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK-3284 (LTS)) (Last Four Digits of Federal Tax ID: 8474); and (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17-4780 (LTS)) (Last Four Digits of Federal Tax ID: 3747).

Upon consideration of the *Second Urgent Joint Motion of the Government Parties and the DRA Parties Regarding Extension of Certain Deadlines Concerning the Litigation Schedule of the DRA Parties' Amended Motion and Memorandum of Law in Support of their Request for Adequate Protection or Relief from the Automatic Stay* (the "Urgent Motion"),² filed on June 2, 2021 by the Puerto Rico Fiscal Agency and Financial Advisory Authority ("AAFAF"), pursuant to the authority granted to it under the Enabling Act of the Fiscal Agency and Financial Advisory Authority, Act 2-2017; the Financial Oversight and Management Board for Puerto Rico (the "Oversight Board") and together with AAFAF the "Government Parties") in its capacity as Title III representative of the Commonwealth of Puerto Rico (the "Commonwealth") and the Puerto Rico Highways and Transportation Authority ("HTA"); AmeriNational Community Services, LLC (the "Servicer"), as servicer for the GDB Debt Recovery Authority (the "DRA"), and Cantor-Katz Collateral Monitor LLC, a Delaware limited liability company (the "Collateral Monitor," and together with the Servicer, collectively, the "DRA Parties"),³ and the Court having found and determined that (i) the Court has jurisdiction over this proceeding and the Stipulation pursuant to 28 U.S.C. § 1331 and 48 U.S.C. § 2166(a); (ii) venue of this proceeding and the Stipulation is proper under 28 U.S.C. § 1391(b) and 48 U.S.C. § 2167(a); and (iii) the Court having found good cause to grant the relief requested therein, it is

HEREBY ORDERED THAT:

1. The Urgent Motion is **GRANTED** as set forth herein.
2. The Government Parties will file the Government Parties Reply (on an individual or joint basis), solely concerning the Standing Issue, by no later than July 21, 2021.⁴

² Capitalized terms not defined herein have the same meaning as in the Urgent Motion.

³ The Government Parties and the DRA Parties are sometimes hereinafter referred to as the "Parties" and each, a "Party".

⁴ To the extent the Official Committee of Unsecured Creditors (the "UCC") has the right to be heard on the Standing Issue, the Objection Deadline and the terms of Section 9 of the Final Case Management Order for Revenue Bonds [ECF No. 12186] shall apply. All parties reserve their respective rights regarding the scope of the UCC's participation rights in any aspect of the DRA Stay Motion litigation.

3. If the Court deems a hearing on the Amended DRA Stay Motion is necessary, the Court will hear oral arguments on the Amended DRA Stay Motion, solely concerning the Standing Issue, at the August 4, 2021 Omnibus Hearing.

4. Unless otherwise modified pursuant to the Amended Scheduling Order, the Further Amended Scheduling Order, or the Urgent Motion, the Original Order remains in full force and effect.

SO ORDERED.

Dated _____, 2020
San Juan, Puerto Rico

HONORABLE LAURA TAYLOR SWAIN
UNITED STATES DISTRICT JUDGE